

**BUDGET REPORT AND MEASURE SUMMARY**

**Joint Committee On Ways and Means**

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**Action:**

**Action Date:**

**Vote:**

**Prepared By:** Art Ayre and Tamara Brickman, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

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Agency: Department of Human Services

Biennium: 2015-17

## **Budget Summary\***

	2013-15 Legislatively Approved Budget <sup>(1)</sup>	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,319,025,873	\$ 2,673,198,728	\$ 2,694,610,000	\$ 375,584,127	16.2%
General Fund Debt Service	\$ 12,912,238	\$ 10,066,836	\$ 3,863,400	\$ (9,048,838)	-70.1%
Other Funds Limited	\$ 525,411,809	\$ 517,398,669	\$ 496,095,693	\$ (29,316,116)	-5.6%
Federal Funds Limited	\$ 4,042,575,062	\$ 4,333,784,291	\$ 4,493,398,541	\$ 450,823,479	11.2%
Federal Funds Nonlimited	\$ 2,514,345,331	\$ 2,514,345,331	\$ 2,514,345,331	\$ -	0.0%
Total	\$ 9,414,270,313	\$ 10,048,793,855	\$ 10,202,312,965	\$ 788,042,652	8.4%

## **Position Summary**

Authorized Positions	7,635	7,712	8,033	398
Full-time Equivalent (FTE) positions	7,479.14	7,619.00	7,893.67	414.53

<sup>(1)</sup> Includes adjustments through May 2015

\* Excludes Capital Construction expenditures

## **Revenue Summary**

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds and Federal Funds revenues. Almost all of the General Fund is used as match or to meet state maintenance of effort requirements to receive Federal Funds. Other Funds revenues come from a wide variety of sources such as nursing home provider taxes, child care development funds, grants, unitary tax assessment, collections of overpayments, estate collections, third party recoveries, fees, and charges for services.

The largest single Federal Funds source is the Supplemental Nutrition Assistance Program (SNAP) at \$2.5 billion; the benefits are reflected in the budget as Nonlimited Federal Funds. Some of the Federal Funds subject to expenditure limitation include the Title XIX Medicaid program, Temporary Assistance to Needy Families (TANF); Title IV-B Child Welfare Services; Title IV-E Foster Care and Adoption Assistance; Title XX Social Services Block Grant; Developmentally Disabled Services Act (DDSA) funds; Family Violence Prevention grant funds; Older Americans Act funds; Nutrition Services Incentive Program (NSIP) funds; Rehabilitation Act grants; and Basic 110, Section 633, and Section 711 Rehabilitation funds. Some of these sources are capped block grants (e.g., TANF, Social Services Block Grant); others provide federal matching funds as partial reimbursement of state costs (e.g., Medicaid, Foster Care, and Adoption Assistance).

Three major methodologies are used to project revenues for the department: 1) the category of expenditures based on estimated Average Daily Populations (ADP) and Cost per Case (CPC) is primarily used for federal entitlement grants, 2) grant cycles and where they fall within the biennium are considered for block grants; assumptions based on the results of prior grant averaging and the anticipated effect of the federal budget

process both are used to project the amount of funds that will be received, and 3) the historical receipt trends method is used for Other Funds sources such as collections of overpayments and fees unless the agency has additional information, such as anticipated special projects that would increase revenue or a temporary need for additional staff that will change the projections for a specific time period.

## **Summary of Human Services Subcommittee Action**

The mission of DHS is to help Oregonians, in their own communities, achieve safety, well-being, and independence through services that protect, empower, respect choice, and preserve dignity. DHS is responsible for the care of some of Oregon's most vulnerable citizens – children, families, people with intellectual and developmental disabilities, and seniors. DHS also serves Oregonians at times when they are most in need – when they have experienced abuse, when they are hungry, and when they are homeless.

DHS's budget is divided into five distinct programs areas: Child Welfare, Self-Sufficiency, Vocational Rehabilitation, Aging and People with Disabilities, and Intellectual/Developmental Disabilities. These program areas are supported by Central Services, Shared Services, and Program Design Services.

The Subcommittee approved a budget of \$2,698,473,400 General Fund, \$496,095,693 Other Funds, \$4,493,398,541 Federal Funds, \$2,514,345,331 Federal Funds Nonlimited (\$10,202,312,965 total funds) and 8,033 positions (7,893.67 FTE). This is an 8.4 percent total funds increase from the 2013-15 Legislatively Approved Budget.

The Subcommittee discussed and reviewed packages used to build the Governor's Budget, stakeholder budget requests, and the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since budget development began in early 2014. Caseload and associated cost adjustments are based on the Spring 2015 forecast. Also included in the Subcommittee's recommended budget are 2013-15 interim actions that have an impact on the agency's 2015-17 budget.

To support the repurposing of General Fund within the budget and prioritize finite resources, the adopted budget includes two strategies proposed in the Governor's Budget. The first removes standard inflation on base expenditures and the second applies a 3.0 percent across-the-board vacancy factor. Collectively, these actions provide \$47.9 million General Fund to balance the overall budget and require careful management of spending and positions.

### **Central Services, Shared Services, State Assessments and Enterprise-wide Costs**

Central Services include functions directly related to policy and program in the agency, such as the director's office, communications, portions of budget and human resources, and the Governor's Advocacy Office.

Shared Services provide a number of support functions, including information technology, financial services, budget, human resources, facilities, and procurement. Some of these functions are housed in the Oregon Health Authority (OHA) and some in DHS, but all shared services units support both agencies. The two agencies have a joint governance model under which service-level agreements define the relationship between the agency providing the service and the agency receiving the service. Shared Services funding is all Other Funds, based on revenues received from

other parts of DHS and from OHA for purchased services. DHS' Shared Services budget includes the Shared Services Administration; Budget Center; Office of Forecasting, Research and Analysis; Office of Financial Services; Office of Human Resources; Office of Facilities; Office of Imaging and Records Management; Office of Contracts and Procurement; Internal Audit and Consulting Unit; Office of Payment Accuracy and Recovery; Rules Coordinator; and the Office of Adult Abuse Prevention and Investigations.

Statewide Assessments and Enterprise-wide Costs (SAEC) contains statewide assessments including various Department of Administrative Services' assessments/charges (e.g., State Data Center, Risk Management, Chief Financial Office), Central Government Services Charges, Oregon State Library, and Secretary of State audits. It also includes the budgets for rent, debt service, and computer replacements.

For these three programs, the Subcommittee approved a budget of \$221,982,004 General Fund, \$147,556,709 Other Funds, \$202,128,354 Federal Funds (\$571,667,067 total funds) and 758 positions (736.17 FTE). This is an 8.2 percent total funds increase from the 2013-15 Legislatively Approved Budget.

Along with eliminating standard inflation and applying a higher vacancy rate, the Subcommittee's budget includes a transfer of funding (\$1,080,000 General Fund and \$1,080,000 Federal Funds) for volunteer transport to the Oregon Health Authority's Medical Assistance Programs. It also contains changes to positions that, in total, add two permanent positions (2.00 FTE) and \$241,330 General Fund, \$858,698 Other Funds expenditure limitation, and \$189,748 Federal Funds expenditure limitation.

The budget adds \$2,845,794 General Fund to align expenditures with updated cost allocations or revenues. Some federal funding streams, such as Social Services Block Grant, are almost fully subscribed by direct program costs. Technical adjustments and transfers, including an adjustment to statewide assessments prior to an end of session reconciliation, account for an increase of \$1,806,063 General Fund (\$4,234,672 total funds) and four positions (4.00 FTE).

Changes in DHS facilities costs are driving an increase of \$3,104,579 General Fund (\$6,209,158 total funds). Several leases have not been renewed, forcing the agency to find new office space, typically at higher costs. Combined with already planned consolidations/relocations, this is driving increased costs. Staff increases approved in the current biennium and position growth in the budget are also influencing space needs.

In Package 201, the budget funds the DHS portion of the REAL+D project to design, build, and implement a tool to collect, report, and analyze data on race, ethnicity, language, and disability. Another budget adjustment linked to OHA is the realignment of positions in the performance excellence program between the agencies, with four positions shifting from DHS to OHA.

The Subcommittee approved Package 121 - Oregon Enterprise Data Analytics. This package is funded at \$3.8 million total funds, comprised of \$946,393 General Fund, \$1,889,626 Other Funds, \$943,233 Federal Funds, and 13 positions (8.45 FTE). The package supports integration and analysis of client and customer service information across state agencies and programs. While some ad-hoc efforts are already underway, this investment will provide coordination, consolidation, and clear ownership (accountability) for that work. One area of specific emphasis will be data collection and analysis in the Self Sufficiency program, particularly in TANF, as General Fund made available in the TANF redesign initiative was allocated in the budget plan to fund this package.

The Subcommittee's budget includes \$0.4 million total funds and one permanent position (0.88 FTE) associated with implementation of House Bill 2393, which supports recovering public assistance overpayments from lottery winnings. This is also part of the TANF reinvestment plan.

#### Program Design

During 2013-15, certain staff in each program were consolidated into a single agency-wide program design unit. Functions within the unit include quantifying desired agency outcomes, measuring the outcomes, designing programs to achieve the outcomes, implementing the design through business and IT processes, and systematically reviewing whether the processes are being implemented as designed and how well the outcomes are being achieved.

The Subcommittee approved a budget of \$30,441,568 General Fund, \$410,196 Other Funds, \$35,961,799 Federal Funds (\$66,813,563 total funds) and 236 positions (236.00 FTE). This is a 42.8 percent total funds decrease from the 2013-15 Legislatively Approved Budget. The decrease is due to the phase-out of the department's curtailed Modernization Project, which included a significant amount of Other Funds and Federal Funds expenditure limitation. The General Fund budget is 31.2 percent higher than in the 2013-15 Legislatively Approved Budget. More than half of the increase is due to the backfill of empty Federal Funds expenditure limitation, in part because of a disproportionate allocation of federal revenues.

The Subcommittee's budget eliminates standard inflation for Services and Supplies and Special Payments, and assumes a 3.0 percent vacancy rate, allowing \$0.6 million General Fund (\$1.2 million total funds) to be repurposed for other budget needs. It adjusts for the rebalance in December 2014, as well as the transfer of a component for long term care annual reporting from Aging and People with Disabilities to Program Design Services.

It adds \$750,000 General Fund (\$7.5 million total funds) for initial planning to improve eligibility determination systems for non-MAGI (Modified Adjusted Gross Income) Medicaid programs (Package 103). Planning efforts are eligible for 90/10 enhanced federal match over the next three years and the agency plans to return in the 2016 Legislative Session with a project update and a request for additional funding. The project was reviewed by the Ways and Means Subcommittee on Information Technology, which recommended incremental and conditional approval of the package. Specific details for required next steps under the project have been documented and transmitted to the agency.

The budget establishes one permanent position (1.00 FTE) and provides \$79,725 General Fund and \$79,725 Federal Funds expenditure limitation to support ongoing child welfare quality control and improvement efforts. It removes \$13.5 million Federal Funds expenditure limitation that lacks corresponding revenue and backfills a portion of this with \$3.8 million General Fund to realign the budget. It repurposes positions to eliminate five double-filled positions. The budget also makes technical adjustments, including the transfer of some positions to other programs.

#### Self-Sufficiency Program

Self-Sufficiency Programs (SSP) provide assistance for low-income families to help them meet critical needs while helping them become self-supporting. The major programs in this area are: Supplemental Nutrition Assistance Program (SNAP); Temporary Assistance to Needy Families (TANF); Employment Related Day Care (ERDC); the Refugee Program; and Youth Services.

DHS administers these programs through coordination and collaboration with families and individuals as well as community partners, and through direct services provided by state staff. Field staff provides program services and benefits to clients through more than 100 field and branch offices throughout the state.

General Fund supports 11.7 percent of this budget, Other Funds 2.9 percent, and Federal Funds 85.4 percent. The major source of Other Funds is federal Child Care Development Fund dollars transferred from the Department of Education for the Employment Related Day Care program. The budget also includes child support recoveries and client trust account funds from client resources, such as federal Supplemental Security Income disability payments. Overpayment recovery revenues are also used to offset General Fund.

Funding for SNAP benefits is the single largest source and use of Federal Funds in SSP. SNAP benefits are projected at \$2.5 billion for the 2015-17 biennium. Federal Funds also help pay for program administrative costs, on a 50.0 percent state/50.0 percent federal basis.

Other Federal Funds come from capped or formula-based block grants, payments for partial reimbursement of eligible state costs, and miscellaneous grants for specific amounts and purposes. Oregon receives \$166.8 million a year from the base federal TANF block grant, which pays for cash assistance, JOBS services, child care, and other self-sufficiency programs, as well as child welfare services such as foster care and residential care.

The Subcommittee approved budget for SSP is \$403,519,001 General Fund, \$100,138,332 Other Funds, \$437,409,828 Federal Funds, \$2,514,345,331 Federal Funds Nonlimited (\$3,455,412,492 total funds) and 2,039 positions (2,029.49 FTE). This is a 0.1 percent total funds decrease from the 2013-15 Legislatively Approved Budget, however, for General Fund the budget is an 18.9 percent increase, primarily due to a significant investment in the Employment Related Day Care (ERDC) program.

The budget eliminates standard inflation for Services and Supplies and Special Payments, and assumes a 3.0 percent vacancy rate, allowing \$9.2 million General Fund (\$12.3 million total funds) to be repurposed for other budget needs. The budget transfers food-related programs from the Oregon Housing and Community Services Department (OHCS), adding \$1.8 million General Fund and \$1.8 million Federal Funds. The committee also restored and continued what was originally a one-time General Fund appropriation of \$450,000 to the Oregon Food Bank, to further augment those food programs. The budget also provides \$1.0 million General Fund to continue and expand a 2013-15 investment in the statewide 211 system. On the revenue side, the budget assumes DHS will receive \$24.0 million in TANF contingency funds, which replaces General Fund need (Package 090), and contains \$10 million in TANF carry forward, resulting in an additional \$10 million General Fund savings (Package 801). Since the federal TANF law continues to be up for reauthorization or extension, it is possible that the provision regarding contingency funds could change during the 2015-17 biennium, so there is some risk assumed in the use of these funds.

The budget includes the 2015-17 biennium impacts of December 2014 Emergency Board actions, including cost per case increases, caseload decreases and a technical adjustment, which moved Services and Supplies funding from Child Welfare into the Self Sufficiency program, resulting in a \$32.7 million General Fund savings. The budget also accounts for caseload savings anticipated from the Spring 2015 forecast, resulting in an additional \$13.9 million General Fund savings.

The Subcommittee provided \$21.7 million General Fund and 17 positions (17.00 FTE) for TANF redesign efforts and implementation of House Bill 3535 (2015) (Packages 101 and 113). This is part of an overall TANF reinvestment of \$30.0 million General Fund, which also maintains Self-Sufficiency staffing 75.8 percent of the workload model. The reinvestment plan covers funding to raise the income limits for clients exiting TANF, reduce the ERDC co-pay for three months while exiting TANF, provide transition payments to families who are exiting TANF, eliminate deprivation as an eligibility requirement, expand the caretaker relative definition, expand contracts for pre and post TANF services, Increase

flexibility in issuing support services to prevent TANF entry, provide training required to implement changes, maintain the workload model and expand intensive client services, support evaluation strategies and data analytics, improve EBT card security by adding names on replacement cards (House Bill 2392), and access lottery prizes for overpayment recovery (House Bill 2393).

The budget contains a \$45.0 million General Fund appropriation for the Employment Related Daycare (ERDC) program to bring provider rates up to the 75th percentile of the market study, allow between 700 and 800 more families to participate in the program and to implement changes required in House Bill 2015 (2015). Other supported program changes include protecting eligibility for 12 months, allowing working student parents to access ERDC, allowing self-employed parents to access ERDC, lowering co-pay for using higher quality providers, giving incentives to high quality providers caring for subsidy children, funding program infrastructure and system costs, and changing ERDC exit eligibility from 185.0 percent to 250.0 percent of the federal poverty level.

The budget makes some technical adjustments and transfers, reducing Other Funds expenditure limitation by \$9.0 million and provides \$189,374 General Fund for one position (0.88 FTE) to implement House Bill 2392 (2015).

### Child Welfare

Child Welfare program services are provided to children reported to be abused or neglected and families who are impacted by abuse dynamics; typically substance abuse and domestic violence. DHS is required by statute to assess reports of alleged child abuse or neglect, complete comprehensive safety assessments of children, assess parent or caregiver capacity to protect, and determine whether child abuse or neglect has occurred. Primary funding for Child Welfare Programs (including Child Safety, Well Being, Child Safety, and Permanency) consists of General Fund and various federal resources derived from the United States Department of Health and Human Services.

The Subcommittee approved budget is \$470,861,862 General Fund, \$22,838,433 Other Funds, \$449,789,894 Federal Funds (\$943,490,189 total funds) and 2,598 positions (2,550.30 FTE). This is a 2.8 percent total funds increase from the 2013-15 Legislatively Approved Budget.

The budget eliminates most standard inflation for Services and Supplies and Special Payments, and assumes a 3.0 percent vacancy rate, allowing \$13.5 million General Fund (\$29.0 million total funds) to be repurposed for other budget needs. The budget includes the 2015-17 biennium impacts of December 2014 Emergency Board actions (\$6.0 million General Fund savings, and a \$103,000 Other Funds increase), including the transfer of General Fund Services and Supplies to the Self Sufficiency program, the transfer of funds from the Oregon Department of Transportation (ODOT) for Driver's Education courses for foster children, and the transfer out of the Child and Adolescent Needs and Strengths (CANS) program to the Oregon Health Authority.

To build in caseload and cost per case changes from the Spring 2015 forecast, the budget includes \$8.1 million General Fund (\$11.0 million total funds) and adds 71 positions (71.00 FTE) to maintain Child Welfare staffing at 85.9 percent of the workload model. While overall caseloads are flat, the workload associated with both screening and assessment is becoming more complex and time consuming, especially with alternative responses to be determined and assigned if a family meets differential response criteria. The package also includes an increase in the federal portion of the Federal Medicaid Assistance Percentage (FMAP) rate, which determines the federal share of eligible program expenditures, saving \$1.1 million General Fund. It also reduces \$1.9 million General Fund for guardianship subsidies, corrects inflation (\$1.8 million total funds) for

Behavioral Rehabilitative Services rates (BRS) to keep those rates at agreement levels, and makes certain technical adjustments and transfers (\$1.7 million total funds).

The Subcommittee approved \$250,000 General Fund to cover the startup and ongoing base costs for a youth shelter project in Lane County. The funding will pay for rehabilitation of an existing building, initial staff support, and program supplies. The project will help stabilize and assess high risk youth who are unable to stay at home or in foster care, with a goal of minimizing exposure to or progression through both the child welfare and juvenile justice systems. The budget also adds \$1.6 million General Fund for the Homeless and Runaway Youth program, which supports local programs providing services such as street outreach, day drop-in, and overnight shelters for unaccompanied minors.

#### Vocational Rehabilitation

The Office of Vocational Rehabilitation Services (OVRS) works with businesses, schools and community programs to assist youth and adults with disabilities, other than blindness, to obtain, maintain or advance in employment.

The Subcommittee approved budget is \$20,694,165 General Fund, \$2,320,512 Other Funds, \$74,158,866 Federal Funds (\$97,173,543 total funds) and 253 positions (249.28 FTE). This is a 0.5 percent decrease from the 2013-15 Legislatively Approved Budget.

The budget eliminates most standard inflation for Services and Supplies and Special Payments, and assumes a 3.0 percent vacancy rate, allowing \$532,023 General Fund (\$2.5 million total funds) to be repurposed for other budget needs. In Package 119, the Subcommittee also approved 19 permanent positions (19.00 FTE), which will clear all double-filled positions within the program. The funding from Special Payments, made available by managing costs and client services, have been covering the cost of the double-fills and will be shifted to the Personal Services expenditure category as part of the adjustment.

#### Aging and People with Disabilities

The Aging and People with Disabilities (APD) program assists seniors and people with disabilities of all ages to achieve well-being through opportunities for community living, employment, family support and services that promote independence, choice and dignity. APD administers Oregon's Medicaid long-term care program primarily under the Community First Choice Option (K Plan) under Section 1915(k) of the Social Security Act. Oregon Project Independence (OPI) provides in-home services outside of the Medicaid program. Federal Older American Act services include help with abuse prevention, caregiver supports, medication management, nutrition services, legal issues, and other services

The Subcommittee approved a \$2,953,451,473 total funds budget, which is 18.2 percent higher than the 2013-15 Legislatively Approved Budget. The budget contains \$862,154,849 General Fund, \$186,445,596 Other Funds, \$1,904,851,028 Federal Funds, and 1,251 positions (1,241.28 FTE). While the budget includes some actions to reduce General Fund need and offset costs, about half of the budget growth is due to caseload/workload while a significant portion is tied to addressing other budget needs. Due to concerns about increases in caseload volume and caseload costs, the Subcommittee approved the following budget note:

#### **Budget Note:**

The Department of Human Services is directed to report to the Joint Committee on Ways and Means during the 2016 Legislative Session on ways to ensure services to older adults and people with disabilities and people with intellectual and developmental disabilities remain



sustainable into the future with a goal of capping biennial general fund budget growth at 10.0 percent. Issues explored should include, but are not limited to, service eligibility, income eligibility criteria, and service array or level of services offered. For identified options, the report will cover associated fiscal impacts, potential implementation timelines, state law or rule changes required, experiences from or comparisons to other states, and the likelihood of obtaining any needed federal authorization.

The Department will also report on cost per case and caseload trends, for both the Aging and People with Disabilities and the Intellectual and Developmental Disabilities programs, to the Interim Joint Committee on Ways and Means in September 2015.

The Subcommittee approved budget includes the 2015-17 biennium impacts of Emergency Board actions from May, September, and December 2014. It also eliminates standard inflation for Services and Supplies and Special Payments, and assumes a 3.0 percent vacancy rate, allowing \$6.3 million General Fund (\$15.1 million total funds) to be repurposed for other budget needs.

The budget includes adjustments to account for overall caseload growth and cost per case changes based on the Spring 2015 forecast. It also includes adjustments (increases) to workload models for the APD field offices and Area Agencies on Aging (AAAs); APD workload is at 90.0 percent of the workload model with the AAAs at 95.0 percent equity. General Fund costs are partially offset by a higher FMAP rate.

The Subcommittee's recommendation includes \$14.4 million General Fund (\$48.0 million total funds) to cover the initial costs associated with implementing U.S. Department of Labor (USDOL) Fair Labor Standards Act rule changes affecting home care workers. Additional future costs are anticipated to be addressed by a special purpose appropriation to the Emergency Board to be included in the omnibus end-of-session bill. A portion of the final regulations are in a state of uncertainty at this time, due to pending litigation at the federal level. As information becomes available, DHS will report to the Legislative Assembly on the final legal decisions, the effects of those decisions on DHS in-home programs, department plans for implementing needed programmatic changes, and updated fiscal impacts associated with the changes.

Funding for Package 107, which covers the next phase of development and implementation of a streamlined and integrated Statewide Adult Abuse and Report Writing System, is not included in this recommendation, since it has a bonding component; funding will be addressed in an omnibus bill if bonding is approved. Project cost, which is based on updated estimates from the third party vendor that refined the project business case, is \$5.6 million total funds, with \$1.4 million of that amount covered by General Fund and the remainder from bond proceeds. An estimated \$0.8 million General Fund will be needed to cover debt service on those bonds in 2015-17. While not part of House Bill 5026, the General Fund for this project has been included in the overall budget plan for DHS. The project was reviewed by the Ways and Means Subcommittee on Information Technology, which recommended incremental and conditional approval of the package. Specific details for required next steps under the project have been documented and transmitted to the agency.

The budget plan includes the following changes, some of which are program reductions, to repurpose General Fund within the budget plan:

- A fund shift of \$5.0 million General Fund to Federal Funds to reflect claiming additional funding for new program eligibles under the Affordable Care Act.
- Elimination of \$2.0 million General Fund used to maintain federal Older Americans Act funding and programs.

- Elimination of \$1.95 million General Fund paying for the Innovation Fund; this was a new initiative in 2013-15. This action retains \$350,000 General Fund in the budget to continue support for Our House’s community-based program in the Portland area.
- Elimination of \$2.8 million General Fund supporting the Gatekeeper program; this was another new, discretionary expenditure for 2013-15. The program trains customer contact employees to recognize signs that an older person may need help.
- Elimination of \$1.8 million General Fund paying for Aging and Disability Resource Connection (ADRC) options counseling. The program helps consumers and families identify options and supports for long-term care, toward promoting informed decision-making.
- Addition of \$1.6 million General Fund as a one-time expenditure to pay back property taxes for seniors eligible for hardship relief stemming from changes made to the Senior and Disabled Property Tax Deferral Program (House Bill 2510 and House Bill 2489) during the 2013 session. It is estimated about 200 households still need assistance.

The budget increases Home and Community Based Care provider rates for Residential, Assisted Living and In-Home Agencies by 2.5 percent annually, driving increases of \$6.7 million General Fund and \$15.8 million Federal Funds.

The Subcommittee approved \$200,000 General Fund to support a statewide community-based needs assessment, which is intended to provide valuable data to help Department of Human Services and agency partners to effectively address the social, educational, and health disparities experienced by members of the deaf, deaf-blind, deaf-plus, and hard of hearing communities. Accurate and useful data will assist in prioritizing unmet needs and identifying possible collaborations, strategies, and interventions to help meet these needs. In developing the assessment, the Department will work with the Oregon Deaf and Hard of Hearing Services Program (ODHHSP) advisory committee to ensure appropriate and adequate data will be collected through surveys, key interviews and focus groups with community members and community meetings.

In carrying out this work, the Department should execute a contract with a vendor who has demonstrated experience working with the Deaf, DeafBlind, Deaf-Plus and hard of hearing populations. The assessment and its resulting report, which will be provided to the Legislature, will contain data on demographics, as well as the status of availability and access to communications using qualified interpreters, reporters, and assistive devices in a variety of settings. In addition, it will include information regarding the types of barriers that make it harder for these Oregonians to graduate from high school, enter and complete college, earn a livable wage, be healthy, and be safe from abuse. Finally, strategies to address needs and barriers will be identified and described.

The budget includes a total of \$24,442,985 General Fund in DHS to continue funding investments made in senior programs during the 2013 Special Session; some portions of the overall \$42.4 million General Fund commitment are budgeted in other agencies. Under this spending plan, the overall 2015-17 funding for the base OPI program is at \$20.1 million; the current OPI pilot expansion project serving younger people with disabilities is continued with an additional \$6 million General Fund. The components of the senior commitment are as follows:

**\$42 Million General Fund Senior Commitment  
2015-17 Spending Plan**

**Department of Human Services**

Item	Item Description	Amount
A	Enhanced Oregon Project Independence (OPI) funding for individuals 60 and over	\$ 10,300,000
B	OPI pilot to expand coverage for younger persons with disabilities	\$ 6,000,000
C	Geriatric medication competency training pilot	\$ 3,300,000
	Training on Alzheimer's/dementias	
	Training for caregivers on challenging behaviors	
	First responder training on Alzheimer's/dementias	
	Increase access to caregiver training statewide	
D	Re-establish annual reporting for long term care	\$ 734,800
E	Personal Incidental Fund (PIF) from \$60 per month, plus annual inflation	\$ 539,728
F	HB 4151 (2014) - Elder Abuse Task Force Recommendation	\$ 241,330
G	AAAs - Replace Older Americans Act lost due to sequestration cuts	\$ 2,077,127
H	AAAs - Evidence based health promotion/disease prevention	\$ 1,250,000
<b>DHS Total</b>		<b>\$ 24,442,985</b>

**Oregon Health Authority**

Item	Item Description	Amount
I	Geriatric/disability/mental health and addiction specialists for each county	\$ 6,153,914
J	Collect/analyze data through the Behavioral Risk Factor Surveillance System (BRFSS)	\$ 104,234
K	Lifeline Dental Network	\$ 160,000
<b>OHA Total</b>		<b>\$ 6,418,148</b>

**Long Term Care Ombudsman**

Item	Item Description	Amount
L	SB 1553 (2014) - Public Guardianship Program	\$ 2,171,212
<b>LTCO Total</b>		<b>\$ 2,171,212</b>

**Oregon Department of Transportation**

Item	Item Description	Amount
M	Enhance funding for elder and disabled transit services	\$ 9,400,000
<b>ODOT Total</b>		<b>\$ 9,400,000</b>

**TOTAL - ALL AGENCIES \$42,432,345**

The caregiver training initiative (Item C above) funded by DHS (Aging and People with Disabilities Department) using the trainings provided by Oregon Care Partners should be continued for the 2015-17 biennium to further realize the investments made during 2013-15. A total of \$3.3 million General Fund is approved for DHS to extend the caregiver training initiative designed to provide consistent, standardized, and evidence-based training across all segments of the long term care services and supports (LTCSS) continuum. The growing population of seniors

and people with disabilities requires a well-trained workforce and the development of additional community resources for both professional and family caregivers.

#### Individuals with Intellectual/Developmental Disabilities

The Intellectual/Developmental Disabilities (I/DD) program area serves over 21,000 children and adults with intellectual and developmental disabilities throughout their life span. This program's mission is to help individuals be fully engaged in life and, at the same time, address any critical health and safety needs. The state, counties, brokerages, providers, families and self-advocates are all critical parts of Oregon's Developmental Disabilities service system that focuses on individuals with I/DD living in the community and having the best quality of life at any age. Oregon no longer has an institutional facility for persons with developmental disabilities, so all clients are served in the community. Most of these services are administered under Medicaid waivers.

General Fund makes up 32.6 percent of the I/DD budget, with most of the General Fund used to match federal Title XIX Medicaid dollars. Other Funds revenue supports 1.7 percent of the overall budget, coming primarily from clients' contributions towards their care and estate recoveries. Federal matching funds for the Medicaid program are determined by the FMAP rate, which determines the federal share of eligible program expenditures. The program match rate changes each federal fiscal year.

The Subcommittee approved budget is \$688,819,951 General Fund, \$36,385,915 Other Funds, \$1,389,098,772 Federal Funds (\$2,114,304,638 total funds) and 898 positions (851.15 FTE). This is a 17.5 percent total funds increase from the 2013-15 Legislatively Approved Budget. While the budget includes some actions to reduce General Fund need and offset costs, about half of the budget growth is due to caseload/workload while a significant portion is tied to addressing other budget needs. Caseload growth is projected at about 13.0 percent between biennia; this growth and increases in cost per case prompted the budget note previously documented in the APD section of this budget report.

The budget includes elimination of standard inflation for Services and Supplies and Special Payments, and assumes a 3.0 percent vacancy rate, allowing \$16.7 million General Fund (\$51.2 million total funds) to be repurposed for other budget needs. It also includes adjustments to account for caseload growth and cost per case changes based on the Spring 2015 forecast. Adjustments (increases) to workload models for the Community Developmental Disability Programs (CCDPs) and brokerages align with that growth. General Fund need is partially offset by a higher FMAP rate.

The budget includes \$3.6 million General Fund (\$10.0 million total funds) to cover initial costs associated with implementing U.S. Department of Labor (USDOL) Fair Labor Standards Act rule changes affecting personal support workers. Additional future costs are expected to be covered by a special purpose appropriation to the Emergency Board to be included in the omnibus end of session bill. A portion of the final regulations are in a state of uncertainty at this time, due to pending litigation at the federal level.

The budget includes funding to improve employment outcomes for people with intellectual and developmental disabilities; \$4.3 million General Fund will help increase capacity for Vocational Rehabilitation to serve the I/DD population and increase availability of benefits counseling and enhance provider transformation through proven practices. Oregonians with I/DD are underrepresented in Oregon's workforce and this investment builds on the 2013-15 Employment First investment and outcomes.

The budget plan includes two adjustments for the Stabilization and Crisis Unit (SACU) program. To develop provider agency capacity for serving people with I/DD that have significant, long-term challenges but who are not in crisis, \$0.8 million total funds and two permanent positions (1.76 FTE) are recommended. To address safety and staffing concerns within the SACU program, \$5.7 million General Fund (\$13.4 million total funds) and 127 permanent positions (84.26 FTE) are added to support a float pool to cover staffing gaps and reduce overtime. Crisis and Outreach Teams (COAT) are also established to be first responders to critical incidents.

The Subcommittee's budget adds \$8.5 million General Fund and \$26.7 million total funds to increase I/DD provider (non-bargained employees not including transportation) service rates by 4.0 percent effective January 1, 2016. It also includes \$40,000 General Fund to restore inflation and maintain the Family to Family networks.

Consistent with ORS 427.345, the budget adds \$92,500 General Fund to be paid into the community housing ("Fairview") trust account. This reflects the fair market value of former Eastern Oregon Training Center property that was transferred to the City of Pendleton under Senate Bill 671 (2015). The budget does not make any other adjustments to the trust, leaving the balance of about \$6 million intact.

The budget removes \$3.8 million General Fund related to a now-completed contract with Umatilla County for transitional services for Community Developmental Disability Programs. Finally, the budget assumes \$900,000 General Fund savings from an effort to validate the assessment tool the agency uses to determine the level of service needed by developmentally disabled clients.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

Department of Human Services  
 Art Ayre -- 503-378-3108 and Tamara Brickman -- 503-378-3709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 2,331,938,111	\$ -	\$ 525,411,809	\$ -	\$ 4,042,575,062	\$ 2,514,345,331	\$ 9,414,270,313	7,635	7,479.14
2015-17 Current Service Level (CSL)*	\$ 2,683,265,564	\$ -	\$ 517,398,669	\$ -	\$ 4,333,784,291	\$ 2,514,345,331	\$ 10,048,793,855	7,712	7,619.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>	\$ 15,207,836	\$ -	\$ (21,302,976)	\$ -	\$ 159,614,250	\$ -	\$ 153,519,110	321	274.67
TOTAL ADJUSTMENTS	\$ 15,207,836	\$ -	\$ (21,302,976)	\$ -	\$ 159,614,250	\$ -	\$ 153,519,110	321	274.67
<u>SUBCOMMITTEE RECOMMENDATION *</u>	\$ 2,698,473,400	\$ -	\$ 496,095,693	\$ -	\$ 4,493,398,541	\$ 2,514,345,331	\$ 10,202,312,965	8,033	7,893.67
% Change from 2013-15 Leg Approved Budget	15.7%	0.0%	-5.6%	0.0%	11.2%	0.0%	8.4%		
% Change from 2015-17 Current Service Level	0.6%	0.0%	-4.1%	0.0%	3.7%	0.0%	1.5%		

\*Excludes Capital Construction Expenditures

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

Department of Human Services - Central Services, Shared Services, State Assessments and Enterprise-wide Costs  
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$ 201,967,248	\$ -	\$ 143,934,460	\$ -	\$ 182,249,345	\$ -	\$ 528,151,053	742	718.98
2015-17 Current Service Level (CSL)*	\$ 220,351,216	\$ -	\$ 147,939,216	\$ -	\$ 199,729,552	\$ -	\$ 568,019,984	737	719.84
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
Package 090: CFO Analyst Adjustments									
Reduce standard inflation	\$ (715,845)	\$ -	\$ (504,245)	\$ -	\$ (839,428)	\$ -	\$ (2,059,518)		
Additional 3% vacancy factor	\$ (264,416)	\$ -	\$ (1,682,755)	\$ -	\$ (164,653)	\$ -	\$ (2,111,824)		
Package 091: December 2014 Rebalance									
Transfer out to OHA-MAP for Volunteer Transport - Central Services	\$ (1,080,000)	\$ -	\$ -	\$ -	\$ (1,080,000)	\$ -	\$ (2,160,000)		
Correct position funding - Shared Services	\$ (429,006)	\$ -	\$ 475,309	\$ -	\$ (46,303)	\$ -	\$ -	2	2.00
Position transfers from APD to Shared Services	\$ -	\$ -	\$ 383,389	\$ -	\$ -	\$ -	\$ 383,389		
SSF for HB 4151 positions - SAEC	\$ 241,330	\$ -	\$ -	\$ -	\$ 189,748	\$ -	\$ 431,078		
Correct Position funding - SAEC	\$ 429,006	\$ -	\$ -	\$ -	\$ 46,303	\$ -	\$ 475,309		
Package 201: REaL+D	\$ 831,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,865	3	3.00
Package 801: LFO Analyst Adjustments									
Correct Budget for OAH	\$ 18,209	\$ -	\$ -	\$ -	\$ 5,596	\$ -	\$ 23,805		
Social Services Block Grant Unavailable	\$ 1,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000		
Position repurposing	\$ (5,510)	\$ -	\$ (20,497)	\$ -	\$ (7,260)	\$ -	\$ (33,267)	2	2.00
Cost Allocation Adjustments	\$ 1,545,794	\$ -	\$ 44,055	\$ -	\$ (1,807,471)	\$ -	\$ (217,622)		
Facilities projects	\$ 3,104,579	\$ -	\$ -	\$ -	\$ 3,104,579	\$ -	\$ 6,209,158		
Debt Service Adjustment	\$ (6,203,436)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,203,436)		
Technical adjustments and transfers	\$ 292,951	\$ -	\$ 473,289	\$ -	\$ 442,207	\$ -	\$ 1,208,447	4	4.00
Realign Performance Excellence Programs	\$ -	\$ -	\$ (1,645,578)	\$ -	\$ -	\$ -	\$ (1,645,578)	-4	-4.00
Unwind Governor's Assessment Changes	\$ 1,513,112	\$ -	\$ -	\$ -	\$ 1,513,113	\$ -	\$ 3,026,225		
Package 121: Data Enterprise Analytics	\$ 946,393	\$ -	\$ 1,889,626	\$ -	\$ 943,233	\$ -	\$ 3,779,252	13	8.45
HB 2393 - Lottery prizes for overpayment recovery	\$ 105,762	\$ -	\$ 204,900	\$ -	\$ 99,138	\$ -	\$ 409,800	1	0.88
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 1,630,788</b>	<b>\$ -</b>	<b>\$ (382,507)</b>	<b>\$ -</b>	<b>\$ 2,398,802</b>	<b>\$ -</b>	<b>\$ 3,647,083</b>	<b>21</b>	<b>16.33</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 221,982,004</b>	<b>\$ -</b>	<b>\$ 147,556,709</b>	<b>\$ -</b>	<b>\$ 202,128,354</b>	<b>\$ -</b>	<b>\$ 571,667,067</b>	<b>758</b>	<b>736.17</b>

% Change from 2013-15 Leg Approved Budget	9.9%	0.0%	2.5%	0.0%	10.9%	0.0%	8.2%
% Change from 2015-17 Current Service Level	0.7%	0.0%	-0.3%	0.0%	1.2%	0.0%	0.6%

\*Excludes Capital Construction Expenditures

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

Department of Human Services - Program Design Services  
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$ 23,204,193	\$ -	\$ 14,616,714	\$ -	\$ 78,907,230	\$ -	\$ 116,728,137	253	253.00
2015-17 Current Service Level (CSL)*	\$ 26,552,127	\$ -	\$ 590,596	\$ -	\$ 44,088,598	\$ -	\$ 71,231,321	248	247.96
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
Package 090: CFO Analyst Adjustments									
Reduce standard inflation	\$ (116,037)	\$ -	\$ (1,958)	\$ -	\$ (106,118)	\$ -	\$ (224,113)		
Additional 3% vacancy factor	\$ (476,804)	\$ -	\$ (11,092)	\$ -	\$ (532,349)	\$ -	\$ (1,020,245)		
Package 091: December 2014 Rebalance									
Transfer SPA Item #11 from APD	\$ 734,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734,800		
Package 103: Non-MAGI Eligibility Automation									
	\$ 750,000	\$ -	\$ -	\$ -	\$ 6,750,000	\$ -	\$ 7,500,000		
Package 108: Child Welfare Quality Control									
	\$ 79,725	\$ -	\$ -	\$ -	\$ 79,725	\$ -	\$ 159,450	1	1.00
Package 801: LFO Analyst Adjustments									
Backfill empty FF limitation	\$ 3,800,000	\$ -	\$ -	\$ -	\$ (13,456,668)	\$ -	\$ (9,656,668)		
Position repurposing	\$ (148,482)	\$ -	\$ (146,832)	\$ -	\$ (5,812)	\$ -	\$ (301,126)	-5	-5.00
Technical adjustments and transfers	\$ (733,761)	\$ -	\$ (20,518)	\$ -	\$ (855,577)	\$ -	\$ (1,609,856)	-8	-7.96
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 3,889,441</b>	<b>\$ -</b>	<b>\$ (180,400)</b>	<b>\$ -</b>	<b>\$ (8,126,799)</b>	<b>\$ -</b>	<b>\$ (4,417,758)</b>	<b>-12</b>	<b>-11.96</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 30,441,568</b>	<b>\$ -</b>	<b>\$ 410,196</b>	<b>\$ -</b>	<b>\$ 35,961,799</b>	<b>\$ -</b>	<b>\$ 66,813,563</b>	<b>236</b>	<b>236.00</b>
% Change from 2013-15 Leg Approved Budget	31.2%	0.0%	-97.2%	0.0%	-54.4%	0.0%	-42.8%		
% Change from 2015-17 Current Service Level	14.6%	0.0%	-30.5%	0.0%	-18.4%	0.0%	-6.2%		

\*Excludes Capital Construction Expenditures



**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

Department of Human Services - Self Sufficiency Programs  
 Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$ 339,500,597	\$ -	\$ 136,863,602	\$ -	\$ 466,464,698	\$ 2,514,345,331	\$ 3,457,174,228	2,001	1,981.99
2015-17 Current Service Level (CSL)*	\$ 416,130,061	\$ -	\$ 126,405,396	\$ -	\$ 404,188,935	\$ 2,514,345,331	\$ 3,461,069,723	2,018	2,008.97
<b><u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u></b>									
Package 070: Revenue Shortfalls	\$ -	\$ -	\$ (15,049,969)	\$ -	\$ -	\$ -	\$ (15,049,969)	-1,195	-1,189.08
Package 090: CFO Analyst Adjustments									
Reduce standard inflation	\$ (6,463,300)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,463,300)		
Additional 3% vacancy factor	\$ (2,781,015)	\$ -	\$ (324,943)	\$ -	\$ (2,754,799)	\$ -	\$ (5,860,757)		
Assume TANF contingency funds	\$ (24,000,000)	\$ -	\$ -	\$ -	\$ 24,000,000	\$ -	\$ -		
Restore one-time funding for Oregon Food Bank	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000		
Investment in statewide 2-1-1	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000		
Package 091: December Rebalance									
TANF cost per case	\$ 3,592,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,592,096		
TANF caseload savings	\$ (41,940,643)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (41,940,643)		
Services and Supplies Adjustment	\$ 5,678,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,678,744		
Package 101: TANF Investments and HB 3535	\$ 18,758,471	\$ -	\$ -	\$ -	\$ (7,983,033)	\$ -	\$ 10,775,438		
Package 113: Backfill empty Other Funds and Restore positions									
Restore positions lost due to empty OF	\$ 7,066,936	\$ -	\$ -	\$ -	\$ 7,983,033	\$ -	\$ 15,049,969	1,195	1,189.08
Add positions for TANF redesign	\$ 2,933,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,933,064	17	17.00
Package 129: ERDC and HB 2015	\$ 45,000,000	\$ -	\$ (1,870,173)	\$ -	\$ -	\$ -	\$ 43,129,827	3	2.64
Package 301: Transfer Food Programs from Housing	\$ 1,772,578	\$ -	\$ -	\$ -	\$ 1,786,327	\$ -	\$ 3,558,905		
Package 801: LFO Analyst Adjustments									
Caseload forecast	\$ (13,867,365)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,867,365)		
Apply TANF carry forward	\$ (10,000,000)	\$ -	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -		
HB 2392 - Names on EBT cards	\$ 189,374	\$ -	\$ -	\$ -	\$ 189,365	\$ -	\$ 378,739	1	0.88
Technical adjustments and transfers	\$ -	\$ -	\$ (9,021,979)	\$ -	\$ -	\$ -	\$ (9,021,979)		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (12,611,060)</b>	<b>\$ -</b>	<b>\$ (26,267,064)</b>	<b>\$ -</b>	<b>\$ 33,220,893</b>	<b>\$ -</b>	<b>\$ (5,657,231)</b>	<b>21</b>	<b>20.52</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 403,519,001</b>	<b>\$ -</b>	<b>\$ 100,138,332</b>	<b>\$ -</b>	<b>\$ 437,409,828</b>	<b>\$ 2,514,345,331</b>	<b>\$ 3,455,412,492</b>	<b>2,039</b>	<b>2,029.49</b>
% Change from 2013-15 Leg Approved Budget	18.9%	0.0%	-26.8%	0.0%	-6.2%	0.0%	-0.1%		
% Change from 2015-17 Current Service Level	-3.0%	0.0%	-20.8%	0.0%	8.2%	0.0%	-0.2%		

\*Excludes Capital Construction Expenditures

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

Department of Human Services -Child Welfare  
 Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$ 429,106,967	\$ -	\$ 23,042,429	\$ -	\$ 465,621,415	\$ -	\$ 917,770,811	2,481	2,402.82
2015-17 Current Service Level (CSL)*	\$ 482,435,080	\$ -	\$ 23,432,630	\$ -	\$ 458,049,022	\$ -	\$ 963,916,732	2,521	2,470.34
<b><u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u></b>									
Package 090: CFO Analyst Adjustments									
Reduce standard inflation	\$ (8,619,356)	\$ -	\$ (588,291)	\$ -	\$ (11,321,338)	\$ -	\$ (20,528,985)		
Additional 3% vacancy factor	\$ (4,873,366)	\$ -	\$ (32,007)	\$ -	\$ (3,565,253)	\$ -	\$ (8,470,626)		
Package 091: December Rebalance									
Services and Supplies Adjustment	\$ (5,678,744)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,678,744)		
Transfer in from ODOT for Driver's Education	\$ -	\$ -	\$ 103,000	\$ -	\$ -	\$ -	\$ 103,000		
Transfer out to OHA-MAP for CANS program	\$ (325,994)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (325,994)		
Package 801: LFO Analyst Adjustments									
Caseload forecast	\$ (518,488)	\$ -	\$ (197,439)	\$ -	\$ (649,695)	\$ -	\$ (1,365,622)		
FMAP Rate Change	\$ (1,103,353)	\$ -	\$ -	\$ -	\$ 1,103,353	\$ -	\$ -		
Correct BRS Inflation	\$ 85,958	\$ -	\$ 118,823	\$ -	\$ 1,595,661	\$ -	\$ 1,800,442		
CW Workload Update	\$ 8,636,677	\$ -	\$ -	\$ -	\$ 3,691,018	\$ -	\$ 12,327,695	71	71.00
Use GF for Subsidized Guardianship	\$ (1,894,462)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,894,462)		
Youth Shelter and Assessment Project	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000		
Runaway and Homeless Youth	\$ 1,644,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,644,462		
Technical adjustments and transfers	\$ 823,448	\$ -	\$ 1,717	\$ -	\$ 887,126	\$ -	\$ 1,712,291	6	8.96
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (11,573,218)</b>	<b>\$ -</b>	<b>\$ (594,197)</b>	<b>\$ -</b>	<b>\$ (8,259,128)</b>	<b>\$ -</b>	<b>\$ (20,426,543)</b>	<b>77</b>	<b>79.96</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 470,861,862</b>	<b>\$ -</b>	<b>\$ 22,838,433</b>	<b>\$ -</b>	<b>\$ 449,789,894</b>	<b>\$ -</b>	<b>\$ 943,490,189</b>	<b>2,598</b>	<b>2,550.30</b>
% Change from 2013-15 Leg Approved Budget	9.7%	0.0%	-0.9%	0.0%	-3.4%	0.0%	2.8%		
% Change from 2015-17 Current Service Level	-2.4%	0.0%	-2.5%	0.0%	-1.8%	0.0%	-2.1%		

\*Excludes Capital Construction Expenditures

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

Department of Human Services - Vocational Rehabilitation  
 Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$ 20,866,337	\$ -	\$ 2,324,758	\$ -	\$ 74,438,950	\$ -	\$ 97,630,045	234	229.08
2015-17 Current Service Level (CSL)*	\$ 21,226,188	\$ -	\$ 2,388,141	\$ -	\$ 76,031,436	\$ -	\$ 99,645,765	234	230.28
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
Package 090: CFO Analyst Adjustments									
Reduce standard inflation	\$ (372,982)	\$ -	\$ (57,929)	\$ -	\$ (1,322,404)	\$ -	\$ (1,753,315)		
Additional 3% vacancy factor	\$ (159,041)	\$ -	\$ (9,700)	\$ -	\$ (550,166)	\$ -	\$ (718,907)		
Package 119: No Cost Position Authority Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	19	19.00
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (532,023)</b>	<b>\$ -</b>	<b>\$ (67,629)</b>	<b>\$ -</b>	<b>\$ (1,872,570)</b>	<b>\$ -</b>	<b>\$ (2,472,222)</b>	<b>19</b>	<b>19.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 20,694,165</b>	<b>\$ -</b>	<b>\$ 2,320,512</b>	<b>\$ -</b>	<b>\$ 74,158,866</b>	<b>\$ -</b>	<b>\$ 97,173,543</b>	<b>253</b>	<b>249.28</b>
% Change from 2013-15 Leg Approved Budget	-0.8%	0.0%	-0.2%	0.0%	-0.4%	0.0%	-0.5%		
% Change from 2015-17 Current Service Level	-2.5%	0.0%	-2.8%	0.0%	-2.5%	0.0%	-2.5%		

\*Excludes Capital Construction Expenditures

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

Department of Human Services - Aging and People with Disabilities  
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at May 2015 *	\$ 734,669,584	\$ -	\$ 165,359,591	\$ -	\$ 1,597,720,670	\$ -	\$ 2,497,749,845	1,163	1,147.68
2015-17 Current Service Level (CSL)*	\$ 847,352,513	\$ -	\$ 186,803,755	\$ -	\$ 1,830,373,538	\$ -	\$ 2,864,529,806	1,194	1,184.28
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
Package 070: Revenue Shortfalls	\$ -	\$ -	\$ (20,087)	\$ -	\$ (58,436)	\$ -	\$ (78,523)		
Package 080: May 2014 E-Board	\$ 2,077,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,077,127		
Package 081: September 2014 E-Board	\$ 634,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 634,800		
Package 090: CFO Analyst Adjustments									
Reduce standard inflation	\$ (4,691,532)	\$ -	\$ (344,904)	\$ -	\$ (6,203,452)	\$ -	\$ (11,239,888)		
Additional 3% vacancy factor	\$ (1,636,438)	\$ -	\$ (15,631)	\$ -	\$ (2,255,379)	\$ -	\$ (3,907,448)		
Nursing Facility rate adjustments	\$ (30,160,000)	\$ -	\$ (5,908,824)	\$ -	\$ (62,371,569)	\$ -	\$ (98,440,393)		
Evidence Based Health reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Package 091: December 2014 Rebalance									
Technical adjustments and transfers	\$ (976,130)	\$ -	\$ -	\$ -	\$ (189,748)	\$ -	\$ (1,165,878)	-2	-2.00
Package 107: SAADRWS Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Package 082: December 2014 E-Board	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000		
Package 801: LFO Analyst Adjustments									
Caseload forecast	\$ 30,074,238	\$ -	\$ 5,927,932	\$ -	\$ 68,953,851	\$ -	\$ 104,956,021		
FMAP Rate Change	\$ (7,260,117)	\$ -	\$ (15,399)	\$ -	\$ 7,275,516	\$ -	\$ -		
APD Field / AAA Workload Update	\$ 5,202,108	\$ -	\$ -	\$ -	\$ 8,675,918	\$ -	\$ 13,878,026	60	60.00
Correct USDOL Placement & Update FMAP	\$ 14,400,000	\$ -	\$ -	\$ -	\$ 33,600,000	\$ -	\$ 48,000,000		
Home Care Worker Vacation Payout	\$ 2,601,254	\$ -	\$ -	\$ -	\$ 6,010,746	\$ -	\$ 8,612,000		
ECOS / Long Term Care Provider funds from AMH	\$ 190,050	\$ -	\$ -	\$ -	\$ 329,070	\$ -	\$ 519,120		
Leverage Affordable Care Act	\$ (5,000,000)	\$ -	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -		
Unwind portion of OAA sequester backfill	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)		
Innovation Fund	\$ (1,950,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,950,000)		
Eliminate Gatekeeper Program	\$ (2,800,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,800,000)		
ADRC Options Counseling	\$ (1,800,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,800,000)		
Property Tax Deferral Hardship Fund	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000		
Remove CBC Index	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)		
Continue OPI Expansion Pilot	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000		
Renew Caregiver Training	\$ 3,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,300,000		
COLA for HCBS Providers	\$ 6,719,173	\$ -	\$ -	\$ -	\$ 15,810,378	\$ -	\$ 22,529,551		
Statewide community-based needs assessment	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000		
Technical adjustments and transfers	\$ (122,197)	\$ -	\$ 18,754	\$ -	\$ (99,405)	\$ -	\$ (202,848)	-1	-1.00
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 14,802,336</b>	<b>\$ -</b>	<b>\$ (358,159)</b>	<b>\$ -</b>	<b>\$ 74,477,490</b>	<b>\$ -</b>	<b>\$ 88,921,667</b>	<b>57</b>	<b>57.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 862,154,849</b>	<b>\$ -</b>	<b>\$ 186,445,596</b>	<b>\$ -</b>	<b>\$ 1,904,851,028</b>	<b>\$ -</b>	<b>\$ 2,953,451,473</b>	<b>1,251</b>	<b>1,241.28</b>

% Change from 2013-15 Leg Approved Budget	17.4%	0.0%	12.8%	0.0%	19.2%	0.0%	18.2%
% Change from 2015-17 Current Service Level	1.7%	0.0%	-0.2%	0.0%	4.1%	0.0%	3.1%

\*Excludes Capital Construction Expenditures

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB-5026-A**

**Department of Human Services - Intellectual and Developmental Disabilities  
Art Ayre -- 503-378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 582,623,185	\$ -	\$ 39,270,255	\$ -	\$ 1,177,172,754	\$ -	\$ 1,799,066,194	761	745.59
2015-17 Current Service Level (CSL)*	\$ 669,218,379	\$ -	\$ 29,838,935	\$ -	\$ 1,321,323,210	\$ -	\$ 2,020,380,524	760	757.33
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
Package 090: CFO Analyst Adjustments									
Reduce standard inflation	\$ (15,439,700)	\$ -	\$ (228,539)	\$ -	\$ (32,160,838)	\$ -	\$ (47,829,077)		
Additional 3% vacancy factor	\$ (1,288,482)	\$ -	\$ (10,422)	\$ -	\$ (2,043,064)	\$ -	\$ (3,341,968)		
Eliminate Fairview Housing Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
USDOL Rule Change Costs	\$ 3,600,000	\$ -	\$ -	\$ -	\$ 6,400,000	\$ -	\$ 10,000,000		
Package 104: Employment Outcomes	\$ 4,358,223	\$ -	\$ -	\$ -	\$ 841,898	\$ -	\$ 5,200,121	12	10.80
Package 110: Provider Capacity for SACU Clients	\$ 653,730	\$ -	\$ -	\$ -	\$ 153,258	\$ -	\$ 806,988	2	1.76
Package 111: Provider Rate Increases	\$ 8,537,069	\$ -	\$ -	\$ -	\$ 18,163,987	\$ -	\$ 26,701,056		
Package 801: LFO Analyst Adjustments									
Caseload forecast	\$ 20,708,783	\$ -	\$ -	\$ -	\$ 41,275,351	\$ -	\$ 61,984,134		
FMAP Rate Change	\$ (4,952,525)	\$ -	\$ (14,059)	\$ -	\$ 4,966,584	\$ -	\$ -		
CDDP/Brokerage Workload Update	\$ 2,578,959	\$ -	\$ -	\$ -	\$ 3,837,240	\$ -	\$ 6,416,199		
DHS-AFSCME SACU Agreement	\$ 5,700,000	\$ -	\$ -	\$ -	\$ 7,742,822	\$ -	\$ 13,442,822	127	84.26
Umatilla CDDP Contract	\$ (3,800,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,800,000)		
Validate assessment	\$ (900,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (900,000)		
Family to Family Networks	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000		
EOTC Sale Proceeds to Fairview Trust	\$ 92,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,500		
Local Transportation Match	\$ -	\$ -	\$ 6,800,000	\$ -	\$ 19,000,000	\$ -	\$ 25,800,000		
Technical adjustments and transfers	\$ (286,985)	\$ -	\$ -	\$ -	\$ (401,676)	\$ -	\$ (688,661)	-3	-3.00
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 19,601,572</b>	<b>\$ -</b>	<b>\$ 6,546,980</b>	<b>\$ -</b>	<b>\$ 67,775,562</b>	<b>\$ -</b>	<b>\$ 93,924,114</b>	<b>138</b>	<b>93.82</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 688,819,951</b>	<b>\$ -</b>	<b>\$ 36,385,915</b>	<b>\$ -</b>	<b>\$ 1,389,098,772</b>	<b>\$ -</b>	<b>\$ 2,114,304,638</b>	<b>898</b>	<b>851.15</b>
% Change from 2013-15 Leg Approved Budget	18.2%	0.0%	-7.3%	0.0%	18.0%	0.0%	17.5%		
% Change from 2015-17 Current Service Level	2.9%	0.0%	21.9%	0.0%	5.1%	0.0%	4.6%		

\*Excludes Capital Construction Expenditures

## Legislatively Approved 2015-2017 Key Performance Measures

**Agency: HUMAN SERVICES, DEPARTMENT of**

Mission: Assisting people to become independent, healthy and safe.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - OVRS CLOSED - EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.		Approved KPM	60.00	66.00	66.00
2 - TANF FAMILY STABILITY – The percentage of children receiving TANF who entered foster care.		Approved KPM	0.68	0.50	0.50
3 - TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		Approved KPM	64.20	65.00	65.00
4 - SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.		Approved KPM	96.40	85.00	85.00
5 - SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments		Approved KPM	95.83	96.60	96.60
6 - ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS		Approved KPM	61.80	65.00	65.00
7 - ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		Approved KPM	95.50	96.00	96.00
8 - TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry.		Approved KPM	66.00	70.60	75.20
9 - TIMELINESS OF ADOPTION ONCE LEGALLY FREE: Percent of Legally free children adopted in less than 12 months		Approved KPM	42.60	48.20	53.70
10 - LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services.		Approved KPM	3.13	3.10	3.10

**Agency: HUMAN SERVICES, DEPARTMENT of**

Mission: Assisting people to become independent, healthy and safe.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
11 - LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES – The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities.		Approved KPM	85.10	87.00	87.00
12 - DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request.		Approved KPM	56.00	98.00	98.00
13 - PEOPLE WITH DISABILITIES LIVING AT HOME – The percentage of individuals enrolled in the Intellectual/Developmental disabilities program who are receiving services in their own home.		Approved KPM	54.44	80.00	80.00
14 - SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment.		Approved KPM	2,472.00		
15 - ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.		Approved KPM	2.47	2.20	2.20
16 - ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES - The percentage of seniors and adults with physical disabilities experiencing abuse.		Approved KPM	0.59	2.20	2.20
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	57.98	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	55.88	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	56.73	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	84.00	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	85.00	75.00	75.00

**Agency: HUMAN SERVICES, DEPARTMENT of**

Mission: Assisting people to become independent, healthy and safe.

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2016</b>	<b>Target 2017</b>
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	76.00	75.00	75.00
18 - PLACEHOLDER: SERVICE EQUITY		Approved KPM			
19 - CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME: The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.		Approved KPM	24.40	30.00	33.00
20 - TANF JOBS PLACEMENTS: The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.		Approved KPM	113.00	100.00	100.00

**LFO Recommendation:**

Approve KPMs #1, 3, 4, 5, 6, 7, 10, 11, 12, 15, and 17 with targets as shown. Approve delete/new (replacement) requests for current KPMs #2, 8, 9, 13, 14, and 16 with targets as displayed (targets for #14 are intended to be blank, as they are under development). Approve brand new KPMs #19 and 20, with targets as shown. Also, please note that KPM #18 is being continued as a placeholder for developing a measure to assess the agency's ability to reduce disparities in client outcomes. Direct the Department of Human Services, as the agency works to align KPMs with its performance-based management system for the 2017-19 budget cycle, to further refine the consistency of measurement components, displays, and comparisons.

**Sub-Committee Action:**

The Subcommittee approved the LFO recommendation on key performance measures.